

NATIONAL RECOVERY ADMINISTRATION

PROPOSED CODE OF FAIR COMPETITION

FOR THE

COMMERCIAL PRINTING
INDUSTRY

AS SUBMITTED ON SEPTEMBER 6, 1933



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U.S. DEPOSITORY

The Code for the Commercial Printing Industry in its present form merely reflects the proposal of the above-mentioned industry, and *none of the provisions contained therein are to be regarded as having received the approval of the National Recovery Administration as applying to this industry*

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1933



SUBMITTED BY
UNITED TYPOTHETAE OF AMERICA
(II)

A CODE OF FAIR COMPETITION FOR THE PRINTING INDUSTRY

AS ADOPTED BY THE CONFERENCE OF REPRESENTATIVES OF THE PRINTING INDUSTRY IN CHICAGO, ILL., ON JULY 13 AND 14, 1933

I. DEFINITION OF THE PRINTING INDUSTRY

The Printing Industry, as covered by this Code, shall be understood to include all printing plants and all persons of whatsoever character manufacturing and/or selling printing to others and shall also include all private printing plants, all printing plants privately or publicly endowed or supported, all printing plants operated by Federal, State, or Municipal authorities, and those that are subsidiaries of other groups, partnerships, corporations, and associations.

II. EFFECTIVE DATE

The effective date of this Code shall be August 31, 1933. If it shall not have been approved by the President of the United States on or before August 21, 1933, the effective date shall be ten days after the date of approval by the President.

III. PURPOSE

To effectuate the policy of Title I, of the National Industrial Recovery Act, during the period of the emergency, by reducing and relieving unemployment, improving the standards of labor, eliminating competitive practices destructive of the interests of the public, employees and employers, relieving the disastrous effects of overcapacity, and otherwise rehabilitating the printing industry; and by increasing the consumption of industrial and agricultural products by increasing purchasing power and in other respects, the following provisions are established as a Code of Fair Competition for the Printing Industry.

IV. EMPLOYMENT REGULATIONS

The Printing Industry as required by Section 7 (a) of Title I, of the National Industrial Recovery Act, subscribes to the following provisions which are conditions of this Code:

"(1) That employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection;

"(2) That no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and

"(3) That employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President."

It is clearly understood that the foregoing paragraphs shall not impair in any particular the constitutional rights of the employee

and employer to bargain individually or collectively as may be mutually satisfactory to them; nor shall it impair the joint right of employer and employee to operate an open shop.

Nothing in this Code is to prevent the selection, retention, and advancement of employees on the basis of their individual merit without regard to their affiliation or nonaffiliation with any labor organization.

A. *Working Hours*.—To effectuate the policy of this Code of Fair Competition, maximum hours of labor shall be uniform for the whole country. Standard working hours shall be 40 hours per week for all mechanical employees, including any proprietors, supervisors, and foremen when doing mechanical work. When necessary, overtime and extra shifts shall be permitted, provided that no mechanical employee shall work more than the maximum of 40 hours per week during the present emergency. It is not the intention of this paragraph to limit the number of days or shifts a plant may operate.

In case of necessity, arising from an emergency or from the character of the work, or from the inability to obtain competent labor, permission may be granted by the Zone Executive Committee, upon proper showing being made, to exceed the foregoing limitation, provided such permission shall be granted only upon such conditions imposed by the Zone Executive Committee as will make certain that no employee will work more than 1,040 hours in any six months.

B. *Minimum Wages*.—The minimum hourly wages for employees in the Printing Industry shall be 40¢ per hour for men, and 30¢ per hour for women except learners and apprentices.

C. *Other Wage and Working Conditions*.—Other wage and working conditions and complement of men shall be determined locally or regionally so as to establish uniform standards in each competitive district.

D. *Employment of Minors*.—Employment of minors under 16 years of age in mechanical production is entirely prohibited.

V. TRADE PRACTICE RULES

A. *Costs and Accounting*.—Every printing house shall maintain an approved and adequate Standard Cost Finding System and approved and adequate Standard Accounting Methods, except as provided by Section VI—Paragraphs A, B, and C. The National Executive Committee shall promulgate a formula for setting up such Cost and Accounting Systems.

B. *Secret Rebates*.—The secret payment or allowance of rebates, commissions, credits, or unearned discounts, whether in the form of money or otherwise, or secretly extending to certain purchasers special services or privileges not extended to all purchasers under like terms or conditions, constitutes a violation of this Code.

C. *Fraudulent and Deceptive Practices*.—Misleading or deceiving customers with respect to the quantity, quality, grade, or substance of stock or other elements entering into the completed work, constitutes a violation of this Code.

D. *Defamation of Competitors*.—The defamation of competitors by falsely imputing to them dishonorable conduct, inability to perform contracts, questionable credit standing, or by other false statements or representations, or by false disparagement of the grade or quality of their product with the purpose of misleading or deceiving

purchaser or of injuriously affecting the business of such competitors, constitutes a violation of this Code.

E. Breach of Contract.—Any attempt to avoid contractual obligations or maliciously inducing or attempting to induce the breach of existing contracts between competitors and their customers by any false or deceptive means whatsoever, or interfering with or obstructing the performance of any such contractual duties or services by any such means, with the purpose of unduly hampering, injuring, or embarrassing competitors in their business, constitutes a violation of this Code.

F. Commercial Bribery.—Directly or indirectly to give or permit to be given or offer to give money or anything of value to agents, employees, or representatives of customers or prospective customers or to agents, employees, or representatives of competitors' customers or prospective customers, or principals as an inducement to influence their employees or principals to purchase or contract to purchase printing or other commodities from the maker of such gift or offer, or to influence such employees or principals to refrain from dealing or contracting to deal with competitors, constitutes a violation of this Code.

G. Competitors' Employees.—Maliciously enticing away the employees of competitors with the purpose and effect of unduly hampering, injuring, or embarrassing competitors in their business, constitutes a violation of this Code.

H. Pirating of Designs.—Pirating ideas, designs, drawings, sketches, dummies, or copy of any product that has been submitted to a prospective customer by a competitor, constitutes a violation of this Code.

I. False Records.—Wilfully maintaining an inaccurate, improper, or false method of determining cost, constitutes a violation of this Code.

J. Firm Bidding.—This industry approves the one bid policy on competitive bidding, and any practice of fictitious bids for the purpose of deceiving competitors or purchasers, or any attempt through connivance to have all bids rejected to the end that a more advantageous position may be secured in new bidding, constitutes a violation of this Code.

K. Specifications and Prices.—When an unsuccessful bidder feels that the successful bidder has quoted an unfair price, he may demand that the successful bidder shall show the specifications and prices of the order to the Zone Committee or its agent, who shall determine whether any infraction of the Code has been committed. The Zone Committee or its agent shall have authority to obtain from other bidders all information they shall have concerning the work and their negotiations concerning same.

L. General Rules.—The National Executive Committee shall prepare general rules to govern the operation of the industry. Each district shall prepare general trade rules to govern the operation of the units therein. All such rules before becoming effective shall be approved by the National Executive Committee so that they may be properly coordinated.

VI. STABILIZATION OF MARKET VALUES

To enable the Printing Industry, which is composed of many small manufacturing units producing printed matter to the specified order

of its customers, to protect itself from ignorance and inadequate cost knowledge and unfair competition, and to accomplish the purposes of the National Recovery Act to maintain fair wages, increase mass purchasing power, and contribute to the welfare of Government, no printing shall be sold for less than the fair cost of production determined upon the principles of a standard cost accounting system recommended by the National Executive Committee.

(a) Every printer shall be required to maintain a Standard Cost Accounting System, or determine production cost values and individual job costs upon departmental economic hourly cost rates established by the Executive Committee of his zone, based upon the cost records of representative plants kept in conformity with the principles of cost accounting recommended by the National Executive Committee, subject to the inspection of an authorized representative of the Zone Executive Committee.

(b) Based upon the records required in Paragraph (a), and/or such other data and information deemed acceptable, the Executive Committee of a zone may compile and publish, or indorse and approve, minimum cost schedules for such classes of printing as may be deemed practical.

(c) The plan of stabilization shall immediately be based upon costs and administered under such rules as may be established by the Executive Committee of a zone. The plan of stabilization and cost schedules in each zone shall be filed with the National Executive Committee, and periodically be compared with the plans of adjacent zones through such committee.

(d) Existing written contracts shall be left to the negotiation of a printer and his customer.

VII. SPECIAL COMPETITION

No state (including political subdivisions thereof), church, educational, charitable, welfare, penal, or similar type of institution which is publicly endowed or supported in whole or in part by contributions, or which is exempt from the payment of any local, state, or Federal taxes whatsoever, shall sell the product of any printing plant which it may own, or control by trust, or operate in competition with commercial business enterprises manufacturing printing.

VIII. ASSESSMENTS FOR ADMINISTRATION

All units in the printing industry operating under the provisions of this Code shall be required to meet their proportionate share of the expense of the administration of the Code both regionally and nationally. Failure to promptly meet these obligations shall constitute a violation of this Code.

IX. MEMBERSHIP

The associations operating under the provisions of this Code shall impose no inequitable restrictions on admission to membership therein and shall be truly representative of the Printing Industry.

X. MONOPOLIES

No provision in this Code shall be interpreted or applied in such a manner as to promote monopolies, permit or encourage unfair competition, eliminate or oppress small enterprises, or to discriminate against them.

XI. PRESIDENTIAL POWERS

The President of the United States may from time to time cancel or modify any order, approval, license, rule, or regulation issued with respect to this Code.

The President may impose any conditions he deems necessary for the protection of consumers, competitors, employees, and others in furtherance of the public interest.

XII. AMENDMENTS

Such of the provisions of this Code as are not required to be included therein by the National Industrial Recovery Act may, with the approval of the President, be modified or eliminated if it appears that the public needs are not being served thereby and as changes in circumstances or experience may indicate. They shall remain in effect unless and until so modified or eliminated or until the expiration of the Act. It is contemplated that from time to time additional provisions to this Code or supplementary Codes will be submitted by the National Executive Committee through the United Typothetae of America for the approval of the President to prevent unfair competition in price and other unfair and destructive competitive practices and to effectuate the other purposes and policies of Title I of the National Industrial Recovery Act and which shall not conflict with the provisions hereof.

If any provision of this Code is declared invalid or unenforceable, the remaining provisions shall nevertheless continue in full force and effect the same as if they had been separately presented for approval and approved by the President.

XIII. ADMINISTRATION

At a conference held in Chicago, Illinois, July 13 and 14, to which the United Typothetae of America, the National Trade Association of the general commercial printing industry, had invited representatives of the independent local and regional printing organizations of the United States, and which was attended by representatives of approximately seventy five printers associations of all classes, the United Typothetae of America was and is designated as the instrument of cooperation in effecting the purposes of the Code and in coordinating the efforts of the various trade associations, of the industry, and of the Government, in achieving the objectives of the National Industrial Recovery Act.

A. National Administration.—The conference also divided the country into seventeen industrial zones, and elected a National Executive Committee, consisting of 36 members, from these zones for the purpose of administering the Code nationally. The basis of representation agreed upon was that each zone should have at least one representative, and additional representatives on the basis of each \$55,000,000 of printing sales in the year 1929.

The National Executive Committee has the power to rezone the country, if necessity therefor should be revealed, but the number of its members shall always be twice the number of zones plus two.

The National Executive Committee was authorized to appoint from within its membership or from without, a committee of three to be known as the National Control Committee, whose power and authority shall be delegated by the National Executive Committee.



A Finance and Budget Committee was appointed by the National Executive Committee, and will establish the amount of money to be provided by each zone as its proportion of this budget on the basis of the annual mechanical pay roll of the zones without maximum limitations. The same basis of dues assessment for national administration is to be applied everywhere. Each zone shall determine for itself the amount of money required for local administration of the Code on the same basis and the local association shall be constituted the agent of the zone in collecting and disbursing all money.

B. Local and Regional Administration.—The Local printers associations now in existence within each of the seventeen zones, and any new associations that may be formed, shall execute local administration of the Code for all printers in the locality now embraced by them. By agreement of the local associations affected each zone may be subdivided territorially or by trade divisions in order to complete the most practical method of administering the code within the zone. Such local associations shall establish an organization basis for the administration of the zone and determine the method of selection of an executive committee which shall administer the affairs of the zone under the National Executive Committee and the Federal Administrator.

When a local association has been recognized by the Zone Executive Committee as the administrative unit for the territory assigned it, all individual plants within that territory, in relation to questions governed by the Code, shall be subject to its jurisdiction, and neither the Zone Executive Committee nor the National Executive Committee shall recognize the appeal of such individual plants unless the subject of the appeal has been submitted for consideration and action by the local organization.

The autonomy of present printers' association or of new associations is guaranteed.

XIV. METHOD OF CODE ENFORCEMENT LOCALLY AND REGIONALLY

Upon the local associations within each zone will fall the main responsibility of carrying out the provisions of the Code and seeing that they are not violated. Subject to the approval of the Zone Executive Committee, each local association shall draw up such rules and regulations and effect such organization that complaints may be heard, investigations conducted, penalties inflicted, and the legal procedure, provided in Section 3 (c) of the Act, be invoked. In order to avoid burdening the courts, each local association shall endeavor to have all printers within its jurisdiction bind themselves to an arbitration agreement whereby they will agree to abide by the decision of a local arbitration board set up within the local association to settle all complaints of or disputes among local printers. In certain specified cases appeal from these decisions should be permitted to go to the Zone Executive Committee, and then to the National Executive Committee, and even to the Federal Administrator.

All printers not voluntarily subjecting themselves to such arbitration agreements shall be dealt with as provided in the Act.

All local enforcement machinery shall be subject to change due to procedure which may be established by the Federal Administrator or the National Executive Committee.